

EYES ONLY

5 JAN 1970

MEMORANDUM FOR: Executive Director-Comptroller
Deputy Director for Support
Deputy Director for Intelligence
Deputy Director for Plans
Deputy Director for Science and Technology

SUBJECT : Involuntary Retirement under the Civil Service
Retirement Act

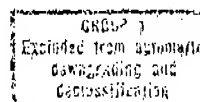
1. The Civil Service Retirement Act has long contained provisions for discontinued service retirement benefits payable to individuals who are involuntarily separated, or who resign in lieu of being involuntarily separated, for reasons other than cause. Typically, reasons which qualify an individual for discontinued service retirement benefits include abolishment of position and reduction in force. In such instances, an individual who has 25 years of service or who is at least 50 years of age with 20 years of service, is eligible for a discontinued service annuity. The annuity is reduced by 1/6 of 1% per month (2% a year) for each month the individual is under age 55.

2. The Civil Service Commission recently announced an extension of the discontinued service retirement concept which liberalizes criteria for discontinued service retirement benefits. This interpretation permits the retirement of a Federal employee, who would be involved in a reduction in force procedure, if he agrees to resign instead of exercising his retention rights. Our analysis of this new procedure led us to conclude that the Agency, even though we do not have retention rights or run classical reductions in force, might be able to develop a similar program of liberalized discontinued service retirement benefits as a means of effecting personnel reductions.

3. Some years ago, the Agency reached an agreement with the Bureau of Retirement and Insurance (BRI) that individuals separated (or who resigned in lieu of being separated) because they were identified as surplus to the needs of their services were eligible for discontinued service retirement, if otherwise eligible. We confirmed with the Director, BRI that the new CSC policy on involuntary retirement could be adapted to meet Agency requirements and could be added to our earlier agreement. Please note, however, that there is one significant difference from our earlier agreement with BRI. In the past, it was necessary to identify specific individuals as surplus and to do this, the Agency developed a formal screening process. Under the

EYES ONLY

CONFIDENTIAL



Discontinued Service Retirement

1. At a meeting on 19 June the subject of Discontinued Service Retirement was discussed by the Director of Personnel, EO/OP, AEO/OP, C/SAS/OP, and C/BSD/OP.

2. The meeting focused on certain areas of disagreement as to the substantive and procedural requirements involved in the separation of individuals who might be entitled to Discontinued Service Retirement. This memorandum records the areas of disagreement for use at a later date.

a. Need to First Search for an Available Position:

(1) Focused particularly on abolishment of position situations, one view is that before the individual is separated a reasonable search must be conducted for a suitable reassignment to a position for which the individual reasonably qualifies. Evidence of such a search and failure to find such a position is used in making a determination that the individual is excess to the needs of his competitive service before the individual is separated for the abolishment of position and thereby become eligible for Discontinued Service Retirement. Official documentation included in the material sent to the Civil Service Commission must include the determination that the individual is excess to the needs of his competitive service.

(2) The other point of view was that there is no Civil Service Commission requirement that a search for a reassignment must first be conducted before the individual can be separated for

ILLEGIB

abolishment of position and that it is unnecessary from a Civil Service Commission point of view to make a determination that the person whose position has been abolished is excess to the needs of his competitive service.

b. Determination of Excess to the Needs of Competitive Service:

(1) One point of view is that all forms of separation, i.e., reduction in force, abolishment of position, ^{NO!} inefficiency, etc., which might qualify an individual for Discontinued Service Retirement must also involve a second determination that the individual concerned is excess to the needs of his particular competitive service. This determination must be part of the official documentation in the case to be included with other material submitted to the Civil Service Commission.

(2) The other point of view is that the Civil Service Commission does not require the second determination nor does evidence of this determination have to be submitted to the Commission.

3. It is assumed, especially in the abolishment of position, that the action is a proper one. Not involved in these areas of disagreement is the fact that the Agency itself could establish its own administrative controls. The areas of disagreement centered on the interpretation of the Federal Personnel Manual, the requirements set therein, and the requirements of the Civil Service Commission.

As a matter of Fed policy, legal decisions, I believe this is true

ILLEGIB

I don't know. [redacted] said we had been required to so certify on a specific case

*2
don't get point*

Approved For Release 2002/01/11 : CIA-RDP84-00688R000200220005-6

STATINTL

Next 1 Page(s) In Document Exempt

Approved For Release 2002/01/11 : CIA-RDP84-00688R000200220005-6